

**DISASTER HOUSING ASSISTANCE PROGRAM (DHAP - KATRINA)
GRANT AGREEMENT AMENDMENT**

This is an amendment to the existing grant agreement made by and between the Federal Emergency Management Agency (“Grantor”) and the public housing agency, _____ Housing Authority (“Grantee”), PHA Code _____, to administer the Disaster Housing Assistance Program-Katrina (“DHAP-Katrina”) pursuant to Inter-Agency Agreement (IAA) Number HSFEHQ-07-X-0249 signed by the Federal Emergency Management Agency (FEMA) and the Department of Housing and Urban Development (HUD), whereby, FEMA transferred the administration of DHAP-Katrina to HUD including administration of this grant agreement.

All terms and conditions in the original grant agreement remain unchanged and in full force with the exception of the following:

1. Extends performance of this grant agreement to continue for a period of 6 months, beginning on March 1, 2009 through August 31, 2009.
2. FEMA, under an IAA amendment with HUD, is authorizing HUD and its PHAs to make or tender transitional payments to landlords without an executed Disaster Rent Subsidy Contract (DRSC) and before effecting other binding agreements between PHAs and landlords as set forth in the IAA.
3. PHAs will pay transitional temporary rental assistance directly to landlords on behalf of eligible families for whom a rental assistance payment was made for the month of February 2009, except for those families already receiving alternative federal or state housing assistance or those families who are no longer in DHAP-Katrina. Such assistance shall begin on March 1, 2009, and continue for up to six months (ending August 31, 2009).
4. Transitional payments for March 2009 will equal the amount of rental assistance paid under DHAP-Katrina for the month of February 2009 reduced by \$100 per household. The transitional payment on behalf of the family will be reduced by an additional \$100 every subsequent month. In no case may the transitional payment exceed the lease rent charged by the owner.
5. Transitional payments will be made to the landlords for the lesser of six months or until the transitional payment is zero as a result of the monthly reductions of \$100. No landlord may accept payment for any month following the month the family vacates the unit. Nor may the landlord accept payments if the landlord receives a duplicative federal or state rent subsidy payment on behalf of the family. PHAs will recoup such payments and shall refer to HUD’s OIG those landlords that do not comply for action to be undertaken in coordination with the Department of Homeland Security’s (DHS) OIG.

6. Concurrent with payment by check or an Electronic Fund Transfer (EFT) for rent subsidies for March, the PHAs will send each landlord a letter setting forth HUD's intent to continue rent subsidies for up to six months during the transitional period. The letter will be sent by the PHAs via certified or registered mail (or another mechanism shall be used to validate that the Landlord has received notice of the terms of the letter) and shall:
 - explain HUD's intent to continue rent subsidies for up to six months during the transitional period;
 - state that a landlord's deposit or acceptance of the tendered transitional payment for March and for each subsequent month (up to six months), and – particularly in the case of an electronic transmission of a transitional payment – failure to return the transitional payment in whole (or in part with respect to any individuals or households who are no longer tenants or for whom the landlord no longer wishes to participate in the program), will constitute contractual acceptance in whole (or in part with respect to particular individuals or households) by the landlord of an agreement for that month to provide the specified dwelling unit for the tenant;
 - state that any landlord accepting transitional rent subsidy payments for any tenant agrees to continue providing housing services to the tenant for up to six months (until the tenant no longer qualifies for transitional assistance or chooses no longer to live at the premises), and that the landlord must promptly report to the PHA when the tenant vacates the unit or begins receiving a non-DHAP rental subsidy; and
 - state that the landlord has no right to the federal funds constituting the transitional rent subsidy for any given month unless the landlord accepts the contractual obligation to provide the specified dwelling unit to the tenant for that month, and that failure to return the federal funds if the landlord does not provide commensurate housing services as set forth therein is a federal offense subject to prosecution.
7. Landlords will be directed to return a signed copy of the letter acknowledging that they will abide by its terms and conditions. PHAs' tendering of the transitional rent subsidy payment in any month is not contingent on any landlord returning the signed letter. Nor is the formation of a binding agreement between a PHA and landlord contingent on the landlord returning the signed letter; a binding agreement is formed upon the landlord's acceptance of (or failure to return within the specified time) tendered transitional payments. However, if a landlord does not return the letter before May 1, 2009, the PHA will contact the family and landlord before tendering or making the May 1, 2009 transitional rent subsidy payment to verify that these funds are being used to house eligible tenants at the specified address.
8. Under this IAA amendment, HUD and the PHAs are not liable to FEMA for payments to landlords during this transitional closeout period as a result of those payments having been made without a DRSC. FEMA and HUD believe the risk associated with this approach is mitigated to a great extent because most of the landlords currently participating in the DHAP-Katrina program have on-going business relationships with PHAs, and oversight controls will be put into place to recover any improper payments or inadvertent overpayments. HUD and PHAs will implement additional cost-effective controls to ameliorate this risk. The controls include, but are not limited to, the following:

- PHAs shall properly notify families and landlords of payments to be made and describe the permitted use of such payments;
 - PHAs shall send information letters to all families concurrently with payment. If the letter to the family is returned because the family has moved, the PHA shall attempt to contact the family and the owner/landlord. If unable to contact, the PHAs will cease payments until the family contacts the PHA and provides a new lease to arrange for future payments (this triggers PHA controls requiring PHAs to recoup payments made to previous landlords where families in DHAP-Katrina did not occupy the units during the timeframe covered by the payment); the PHA will update the landlord information in DIS and issue the transitional rent payment to the new landlord;
 - If mail to the landlord is undeliverable, and the PHA is unable to confirm landlord information, the PHA will attempt to contact the family and landlord. If still unable to contact, the PHAs will cease payments until the family or landlord contacts the PHA. HUD will subsequently provide FEMA with reports that detail submission of these letters relative to tenants under lease; and
 - PHAs will work with HUD to match data against HUD databases to preclude duplicate payments or multiple housing assistance program enrolments.
9. The PHA and HUD will operate this program in accordance with the DHAP-Katrina Closeout Transition Standard Operating Procedures (SOPs) developed by HUD and approved by FEMA.
10. FEMA will pay an administrative fee of \$1,000 per family transitioned to cover all PHA administrative costs for the agreed six-month period beginning March 1, 2009.
11. PHAs will update DIS with information regarding landlord submission of signed letters. Payment of the transitional rent payment on behalf of the family is not contingent on the landlord returning the signed letter. PHAs will provide all reports and data required in compliance with the IAA, SOP, grant agreement and the subsequent amendments to those documents. This includes, but is not limited to, the needed information to reconcile FEMA disaster applicant and financial records. HUD will provide the data submitted by the PHAs in an aggregated report to FEMA on a monthly basis.

9. Termination

The grant agreement term amendment shall begin on March 1, 2009 and shall end no later than August 31, 2009.

10. Acknowledgements

- a. The Grantor and the Grantee acknowledge HUD's right to administer and enforce the provisions under this grant agreement amendment, the Standard Operating Procedures and any subsequent HUD directives and guidance for DHAP-Katrina.

b. By entering into this grant agreement amendment, it is so acknowledged by the signature below, that the Grantee has the legal capacity and authority to administer DHAP-Katrina in the jurisdiction covered by this agreement.

WITNESS WHEREOF, the parties have executed this grant agreement amendment by their duly authorized signatories as of the date signed by both parties.

United States of America

Federal Emergency Management Agency

Signature of Authorized Representative

X_____ Date Signed_____

Name and Official Title (Print or Type)_____

David Fleischman, DHAP FEMA Assistance Officer, Office of the Assistant Administrator of the Grant Programs Directorate on behalf of the Disaster Assistance Directorate

Public Housing Agency

Name of Agency:_____ PHA Code_____

Signature of Authorized Representative

X_____ Date Signed_____

Name and Official Title (Print or Type)_____